

Message Text

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10

ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 DOTE-00 EUR-12 EA-09

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P 071401Z APR 76

FM AMEMBASSY RABAT

TO SECSTATE WASHDC PRIORITY 8268

UNCLAS RABAT 1935

C O R R E C T E D C O P Y (LINE OMITTED RE: EXIMBANK CREDIT NO.
6 124 MOROCCO

E.O. 11652:N/A

TAGS: BEXP EFIN MO

SUBJECT: EXIM LOAN TO MOROCCAN RAILROAD (ONCF) FOR PURCHASE OF GM
LOCOMOTIVES

REF: RABAT 784

FOR NEA/AFN

DEPARTMENT ALSO PASS EXIMBANK FOR

1. FOLLOWING DELAYED RECEIPT PRELIMINARY LOAN AGREEMENT
REPORTED REFTEL, ONCF TELEXED REQUESTED REVISION TO EXIM
ON MARCH 29 TO EXPEDITE PREPARATION AND RECEIPT HERE OF
REVISED LOAN DOCUMENT.

2. NO REPLY HAVING BEEN RECEIVED AFTER TEN DAYS WAIT, ONCF
FINANCE DIRECTOR HAS REQUESTED EMBASSY FACILITIES TO TRANSMIT
FOLLOWING:

3. BEGIN TEXT
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ATTENTION: M. YOUTZ - COUNSEL

RE: EXIMBANK CREDIT NO. 6 124 MOROCCO

FURTHER TO OUR TELEX NO. 651 DATED MARCH 29, 1976,

PENDING RECEIPT OF FORMAL AGREEMENT AND WITH A VIEW TO QUALIFYING IN SHORTEST POSSIBLE TIME, ACCORDINGLY TO PROVISIONS OF ARTICLE VI OF CREDIT AGREEMENT NO. 6 124, UNDERMENTIONED DOCUMENTS REQUIRED IN THE AFORESAID AGREEMENT, TOGETHER WITH AN ENGLISH TRANSLATION BEING TRANSMITTED BY U.S. EMBASSY POUCH:

1. PURCHASE CONTRACT CONFORMED COPY NO. 335 063 CONCLUDED WITH GENERAL MOTORS OVERSEAS OPERATIONS,
2. JURIDICIAL NOTE (LEGAL OPINION), TERMS OF REFERENCES AND LIABILITIES OF THE BORROWER AND THE GUARANTOR,
3. ROYAL DECREE OF ONCF'S CONSTITUTION (MOROCCAN NATIONAL RAILWAYS OFFICE),
4. ROYAL DECREE APPOINTING M. MOUSSA MOUSSAOUI AS MANAGER OF MOROCCAN RAILWAYS,
5. DAHIR REGARDING CONSTITUTION OF MOROCCAN GOVERNMENT,
6. DELEGATION OF AUTHORITY OF MANAGER,
7. MINISTER OF FINANCE'S DECISION APPOINTING M. BENJELLOUN AS ACCOUNTING AGENT OF ONCF,
8. DELEGATION OF POWERS OF SIGNATURE OF ACCOUNTING AGENT,
9. SPECIMEN OF SIGNATURE (EVIDENCE OF AUTHORITY),
10. CONTRACT AUTHORIZATION,
11. ATTESTATION OF THE OTHER LENDER (COMMERCIAL LOAN)-BANQUE NATIONALE POUR LE DEVELOPPEMENT ECONOMIQUE (BNDE) FOR AN EQUAL AMOUNT OF US \$966,030.

EXHIBIT NO. 4 TO ANNEX B

(CERTIFICATE OF THE BORROWER) ALSO INCLUDED IN PACKET. OTHER DOCUMENTS REQUIRED NAMELY (1) FOREIGN EXCHANGE OFFICE'S TRANSFERRING AUTHORIZATION (2) GUARANTEE OF MINISTRY OF FINANCE (3) PROMISSORY NOTE, WILL BE SENT TO YOU AS SOON AS WE RECEIVE FINAL AGREEMENT. REQUEST YOU DISBURSE IN FAVOUR OF BANKERS TRUST COMPANY AT YOUR EARLIEST CONVENIENCE, AMOUNT CORRESPONDING TO THE LOAN GRANTED BY YOUR INSTITUTION.

YOURS VERY TRULY.

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OFFICE NATIONAL DES
CHEMINS DE FER
P. LE DIRECTEUR,
L'INGENIEUR EN CHEF,
SIGNE: TEMRI
END TEXT.

4. DOCUMENTS AND ORIGINAL OF ABOVE TEXT BEING SENT BY APRIL 8 EMBASSY POUCH FOR ATTENTION STATE DEPARTMENT MOROCCO DESK OFFICER FOR IMMEDIATE RELAY TO EXIMBANK.
5. COMMENT: AS PER AMBASSADOR'S MARCH 24 LETTER TO EXIM EXEC VP BEIM, WE IMPRESSED THAT PAPER WORK FOR THIS LOAN HAS NOT BEEN HANDLED AS EXPEDITIOUSLY AS MIGHT HAVE BEEN POSSIBLE. USELESS AT THIS POINT TO ATTEMPT ASSESSMENT OF RESPONSIBILITY FOR DELAYS. ESSENTIAL IS THAT WITH MULTIMILLION ONCF EXPANSION

PROGRAM UNDERWAY, EMBASSY CONCERNED THAT US HAS FORFEITED MUCH GOODWILL, FIRST AS RESULT OF NOW RESOLVED DISPUTE WITH GM OVER DELIVERY AND SERVICING PARTS FOR INITIAL LOCO ORDER; AND, SECONDLY, BECAUSE OF DELAYS IN ARRANGING FINANCING FOR CURRENT FOLLOW-ON ORDER. IN ADDITION TO EXPEDITING CURRENT LOAN APPLICATION TO CONCLUSION (LOCOS HAVE BEEN IN CASABLANCA FOR SEVERAL DAYS), RECOMMEND THAT EXIM CONSIDER GESTURE OF INVITING ONCF DIRECTOR MOUSSAOUI AND FINANCE DIRECTOR CHOUKROUN TO WASHINGTON FOR WELL-PUBLICIZED SIGNING CEREMONY, PROTOCOLARY VISITS WITH EXIM PRESIDENT, DOT SECRETARY COLEMAN, PLUS VISIT TO BICENTENARY EVENT OR TWO. WE ARE CONVINCED SUCH GESTURE, WHETHER ACCEPTED OR NOT, WOULD CONTRIBUTE TOWARDS RESTORING INTEREST IN US AS SOURCE OF SUPPLIES FOR PORTION OF EXPANSION PROGRAM. THIS BELIEVED ESSENTIAL IN LIGHT OF ACTIVE POLISH AND JAPANESE FINANCIAL DIPLOMACY OF US TO REMAIN IN COMPETITION. END COMMENT.ANDERSON

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<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
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Draft Date: 07 APR 1976
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Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
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Disposition Event:
Disposition History: n/a
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Review Date: 09 JUN 2004
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Margaret P. Grafeld
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EO Systematic Review
04 MAY 2006

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Review Withdrawn Fields: n/a
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Subject: EXIM LOAN TO MOROCCAN RAILROAD (ONCF) FOR PURCHASE OF GM
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To: STATE
Type: TE
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